

# FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Office of Consumer and Business Education

## Out of Work? How to Deal with Creditors

It's become an all-too-familiar headline and lead story — job cuts, dot.com failures, corporate restructuring and lay-offs.

If you've recently lost your job, your first thoughts may be, "how will I make ends meet." Money matters are a source of stress and frustration for many people. The Federal Trade Commission (FTC) publishes free brochures spelling out your rights when it comes to fair debt collection and credit reporting practices.

### Fair Debt Collection

If you find that you can't pay your bills on time, contact your creditors immediately. Try to work out a modified payment plan that reduces your payments to a more manageable level. Don't wait until your accounts have been turned over to a debt collector. At that point, your creditors have given up on you. The federal Fair Debt Collection Practices Act requires debt collectors to treat you fairly by prohibiting certain methods of debt collection. To learn more, call the FTC's Consumer Response Center for a free copy of Fair Debt Collection, or visit [www.ftc.gov](http://www.ftc.gov).

### Fair Credit Reporting

Non-payment and late payments may affect your credit rating and your ability to get credit in the future. Although creditors usually consider a number of factors in deciding whether to grant credit, most creditors rely heavily on your credit history. That's one reason it's important to make sure your credit report is accurate. For example, if your file showed that you were once late in making payments, but didn't show that you are no longer delinquent, it would be inaccurate. The credit reporting agency must show that your payments now are current.

The Fair Credit Reporting Act protects you by requiring credit bureaus to furnish correct and complete information to businesses to use in evaluating your applications for credit, insurance or a job. For more information, request a free copy of Fair Credit Reporting.

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or to get free information on consumer issues, visit [www.ftc.gov](http://www.ftc.gov) or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters Internet, telemarketing, identity theft and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.